Celebrating Our 30th Anniversary

Annual Report 09/10

Industrial Technology Centre

AN AGENCY OF MANITOBA INNOVATION, ENERGY AND MINES

$t^{\nu-1} e^{-at} \rightarrow \Gamma(\nu)(a^2+\omega^2)^{-\frac{\nu}{2}} \cos\left(\nu \arctan\left(\frac{\omega}{a}\right)\right)$

$\int_0^\infty (1+2x\cos a+x^2)^{-1} \cdot dx = \frac{a}{2\sin a} \quad \left(0 < a < \frac{\pi}{2}\right)$

$\int_0^1 x^a (1-x)^\beta dx = 2\int_0^\infty x^{2a+1}(1-x^2)^\beta dx = \Gamma(\alpha+1$

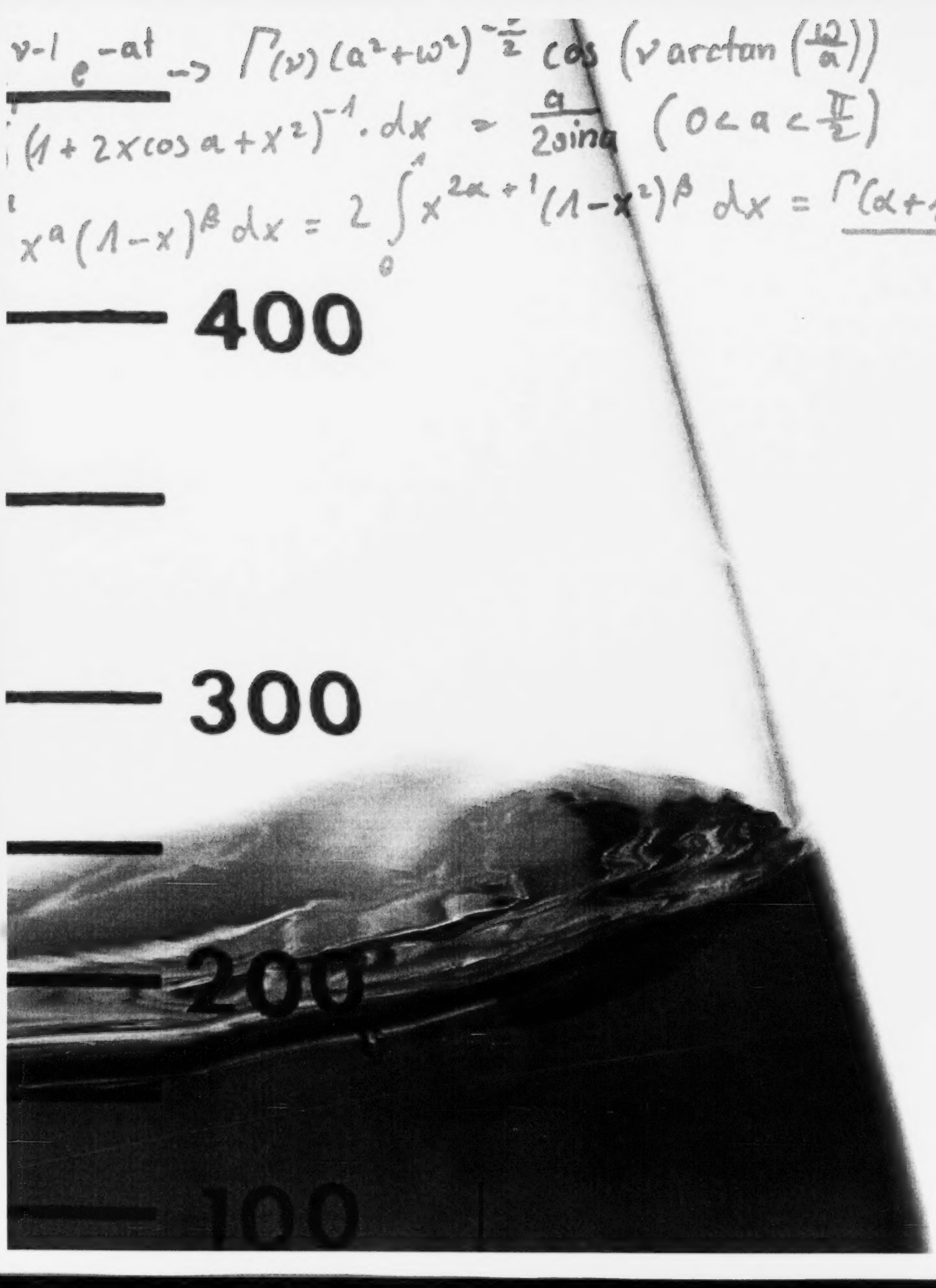


TABLE OF CONTENTS

Minister's Letter of Transmittal 3

Deputy Minister's Letter of Transmittal 3

Message from the Chief Operating Officer 4

1. Agency Profile 6

1.1 Background 6

1.2 Vision, Mission and Goals 6

1.3 Service Lines 7

Advanced Technologies 7

Engineering 8

Lottery Ticket Testing (LTT) 9

1.4 Strategic Outlook 9

2. Performance Review 10

2.1 Sector Highlights 10

Aerospace 10

Building, Architecture and Construction 10

Environment and Resources 10

General Manufacturing 10

Health 11

Transportation 11

Partnerships in Research and Development 11

Training, Skill Development and Technology Awareness 11

Utilities 11

2.2 Results 12

Economic Development 12

Customer 13

Operations 13

Learning and Growth 14

Financial 14

3. Management Report 17

4. Auditors' Report 17

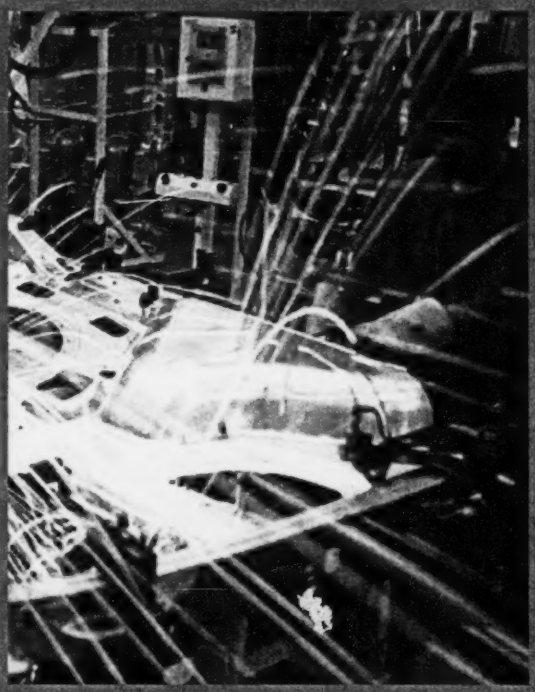
5. Financial Statements 18

Appendix 1: Staff as at March 31, 2010 25

Appendix 2: Advisory Board 25

MacDon had the need to quickly test some parts for cyclic fatigue testing. The Industrial Technology Centre was able to reduce our test time drastically where their machine can produce loads up to a cycle rate of 15 hertz.

DAN CORMIER, P. ENG.
DESIGN ENGINEER
MACDON INDUSTRIES LTD.



Since subleasing facilities from the ITC, the CIC has increasingly utilized their resources, especially in the area of testing due to their reliability and willingness to implement new capabilities in line with industries' ever changing needs. This has resulted in a close and symbiotic relationship providing significant benefit to our organization and to our many clients.

LISA HIBBERT, B.ENG.
ENGINEER, COMPOSITE APPLICATIONS EIT
COMPOSITES INNOVATION CENTRE MANITOBA INC.

MINISTER'S LETTER OF TRANSMITTAL

June 30, 2010

The Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I have the privilege of presenting the Annual Report of the Industrial Technology Centre for the year ended March 31, 2010.

Respectfully submitted,

Original signed by

Dave Chomiak
Minister of Innovation, Energy and Mines

DEPUTY MINISTER'S LETTER OF TRANSMITTAL

June 30, 2010

Honourable Dave Chomiak
Minister Responsible for the
Industrial Technology Centre
Room 333 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister Chomiak:

I am pleased to submit for your consideration the Annual Report of the Industrial Technology Centre (ITC) for the year ended March 31, 2010.

During the year, ITC undertook an evaluation of all its services and their applicability to the needs of Manitoba industry. As a result, management realigned services and implemented appropriate expenditure management programs.

ITC continues to introduce key advanced technology platforms to benefit Manitoba industry. Examples include real-time collaboration in visualization from remote sites and simulation of manufacturing processes.

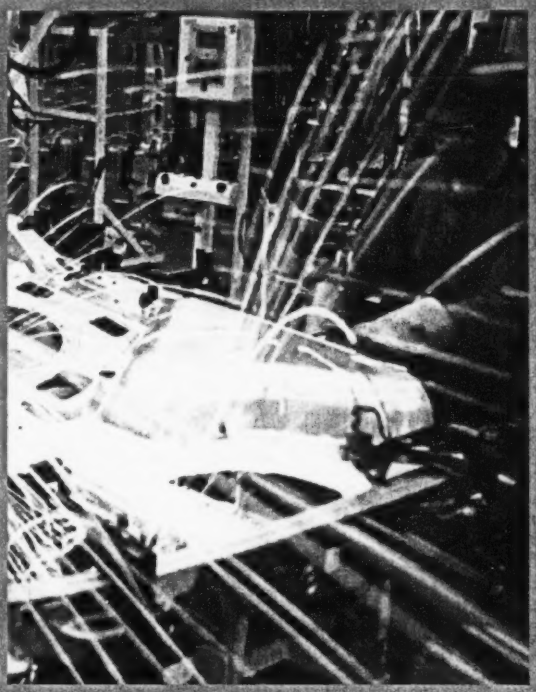
In the fall of 2009, ITC presented its new strategic plan to the provincial government for review. This resulted in approval to implement a five-year equipment replacement program and the opportunity to further develop its technical capabilities in partnership with industry, academia and government.

My sincere thanks to our Advisory Board who has provided invaluable guidance to our operations and to staff who has given our clients excellent service and value.

Respectfully submitted,

Original signed by

John Clarkson
Deputy Minister of Innovation, Energy and Mines
Chairperson of the Industrial Technology Centre Advisory Board



Since subleasing facilities from the ITC, the CIC has increasingly utilized their resources, especially in the area of testing due to their reliability and willingness to implement new capabilities in line with industries' ever changing needs. This has resulted in a close and symbiotic relationship providing significant benefit to our organization and to our many clients.

LISA HIBBERT, B.ENG.
ENGINEER, COMPOSITE APPLICATIONS EIT
COMPOSITES INNOVATION CENTRE MANITOBA INC.

MINISTER'S LETTER OF TRANSMITTAL

June 30, 2010

The Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I have the privilege of presenting the Annual Report of the Industrial Technology Centre for the year ended March 31, 2010.

Respectfully submitted,

Original signed by

Dave Chomiak
Minister of Innovation, Energy and Mines

DEPUTY MINISTER'S LETTER OF TRANSMITTAL

June 30, 2010

Honourable Dave Chomiak
Minister Responsible for the
Industrial Technology Centre
Room 333 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister Chomiak:

I am pleased to submit for your consideration the Annual Report of the Industrial Technology Centre (ITC) for the year ended March 31, 2010.

During the year, ITC undertook an evaluation of all its services and their applicability to the needs of Manitoba industry. As a result, management realigned services and implemented appropriate expenditure management programs.

ITC continues to introduce key advanced technology platforms to benefit Manitoba industry. Examples include real-time collaboration in visualization from remote sites and simulation of manufacturing processes.

In the fall of 2009, ITC presented its new strategic plan to the provincial government for review. This resulted in approval to implement a five-year equipment replacement program and the opportunity to further develop its technical capabilities in partnership with industry, academia and government.

My sincere thanks to our Advisory Board who has provided invaluable guidance to our operations and to staff who has given our clients excellent service and value.

Respectfully submitted,

Original signed by

John Clarkson
Deputy Minister of Innovation, Energy and Mines
Chairperson of the Industrial Technology Centre Advisory Board

MESSAGE FROM THE CHIEF OPERATING OFFICER

June 30, 2010

On behalf of staff, I am very pleased to report on the achievements of the Industrial Technology Centre (ITC) for the year ended March 31, 2010.

This was a challenging year for ITC, due in part to companies delaying product development projects for financial reasons. This necessitated some changes to the services offered by ITC, a reduction in associated expenses and a re-allocation of staff resources. At year-end, however, ITC was well-positioned to invest in a variety of new services.

ITC continued to upgrade mechanical testing and calibration equipment and broadened its accredited services to meet the needs of Manitoba industry. Partnerships with organizations such as the Composites Innovation Centre and the Canadian Manufacturers & Exporters continued to strengthen.

ITC commenced several projects in advanced simulation and visualization with research and development partners from the medical, digital and biohazard containment sectors. These projects have demonstrated the positive impact that 3D visualization has in the development of research tools, products and training software.

Clients reported that ITC services had a significant influence on their operations including reduced operating costs, improved quality and helping to maintain or create jobs.

I would like to thank our Advisory Board for their ongoing advice and support, and all staff for their outstanding efforts.

Original signed by

Trevor Cornell
Chief Operating Officer

The videos we borrowed from the Industrial Technology Centre were a great tool and very informative. Perhaps, the greatest purpose they served was to show our employees we aren't the only ones going through lean changes and that they work.

JARED WARKENTIN
ASSISTANT LEAN COORDINATOR/QUALITY CONTROL
MID CANADA MILLWORK

1. AGENCY PROFILE

PROFILE

1.1 Background

The Industrial Technology Centre (ITC) was established in 1979 and commenced operations as a Special Operating Agency (SOA) of the Province of Manitoba on April 1, 1996. ITC now operates under the authority of Manitoba Innovation, Energy and Mines (IEM).

The Deputy Minister of IEM chairs ITC's Advisory Board, which includes private sector representatives. The Board provides advice regarding ITC's strategic direction, structure, mandate, business practices, marketing and financial reporting requirements.

ITC provides a wide range of technical services in support of technology-based economic development in Manitoba. ITC customers include Manitoba industry, entrepreneurs, and government departments and agencies. Services are provided on a fee for service basis and under an Economic Development Contribution Agreement (EDCA). The EDCA is a performance contract with IEM to support ITC's contribution to economic development activities in Manitoba. Clients seeking specific technical assistance may be existing or start-up enterprises, and range in size from individuals to large corporations.

ITC's service areas are:

- **Advanced Technologies**
- **Engineering**
- **Lottery Ticket Testing (LTT)**

The economic development contribution from the Province is used to support technical information and advice, library services, and infrastructure for testing, product development, and advanced visualization. These services support SMEs (small and medium-sized enterprises) that have limited R&D resources.

As an agency of the Province of Manitoba, any disclosures of wrongdoing received by ITC pursuant to The Public Interest Disclosure (Whistleblower Protection) Act will be reported in the annual report of IEM. For further information, please refer to the 2009/10 annual report of Manitoba Innovation, Energy and Mines.

1.2 Vision, Mission and Goals

ITC's **vision** is "To be recognized as the best resource for solving technical issues for the benefit of Manitoba."

ITC's **mission** is "As a team and in partnership with our customers, we are committed to provide creative technical solutions for the economic development of Manitoba."

ITC's **goals**, essential to fulfillment of its mission, are as follows:

- To help our clients anticipate, identify and apply appropriate technologies
- To support and contribute to economic development in Manitoba
- To sustain and enhance client relationships by providing high-quality, valued technical services
- To cultivate a work environment that promotes employee achievement, creativity, initiative and growth.

I have been particularly interested in the Harvard Business Review articles that the ITC Library provides. These articles show how successful organizations operate, especially under difficult economic times like those we are presently going through.

MARK PLETT, P. ENG., MBA
SENIOR BUSINESS SYSTEMS LEAD
STANDARD AERO

1.3 Service Lines

Advanced Technologies

Advanced Visualization

Advanced visualization incorporates the use of fully immersive, real time modelling techniques to conceptualize and design products and processes. This assists clients to improve:

- Product design and development, process re-engineering, urban planning, architectural design, and medical / biological simulation
- Product marketing
- Development of software for specific scientific and engineering applications

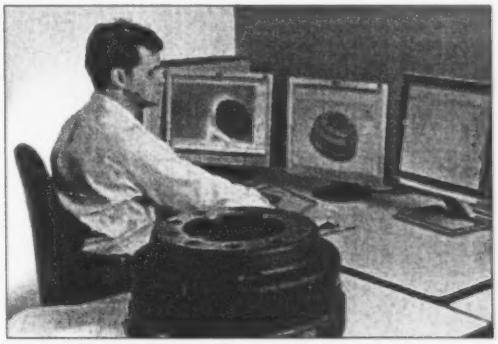
ITC has implemented equipment and software that can generate 3-dimensional graphic images, which may be relayed by a high-speed link back to off-site users. This remote-site capability will make advanced visualization services more accessible and cost-effective to Manitoba industry, educational and research organizations.

ITC's Advanced Visualization services are designed to provide access to technologies that will enable organizations to attain a competitive advantage in global markets.

Technical Information and Advice

The wide range of expertise and professional capabilities of staff enable ITC to deliver technical information and advice in many engineering disciplines and library science. This service supports Manitoba industry by:

- Evaluating advanced technologies for potential implementation
- Helping clients to define and understand technical issues
- Developing methods for solving problems
- Assisting in the implementation of solutions
- Networking with contacts and experts across Canada for technical advice and assistance that may not be available in Manitoba
- Providing technical library resources for companies, entrepreneurs, inventors and ITC staff
- Searching to obtain specific information on production processes, and identifying international standards
- Producing technology newsletters in support of advanced manufacturing, materials, and bio-energy
- Delivering workshops and seminars that demonstrate new technologies



Computer-aided engineering helps improve product design

ITC plays an important economic development role in Manitoba by providing technical advice and assistance to Manitoba industry, entrepreneurs and government departments and agencies. ITC is recognized as a critical part of the technical infrastructure required to help individuals and companies increase their competitiveness by developing new or improved products and processes.

Customers include inventors, entrepreneurs and companies in most industrial sectors in Manitoba. Easy access for the public, on-line links to international databases and skilled staff make ITC an invaluable information resource.

ITC provides technical information services focused on manufacturing and advanced technologies

1. AGENCY PROFILE *continued*

Engineering

Mechanical Testing

Mechanical Testing services are categorized as either Standard or Custom, defined as:

Standard Testing: Those tests that may be described as routine and undertaken (or priced) on a per sample basis. Tests include the measurement of such properties as hardness, impact resistance and strength. The Materials Testing Laboratory has been granted accreditation by the Standards Council of Canada (SCC) for specific tests, which is recognition of ITC's high standard of competence and credibility.

Custom Testing: Testing for which there may be no defined standard. ITC staff will help the client determine what properties or parameters are to be tested, and will identify or develop appropriate procedures to meet testing requirements. Examples include:

- Testing products or materials when no industry standard exists
- Testing components in their service environment
- Testing under various temperature, humidity and corrosion conditions

Dimensional Calibration

ITC is the only facility across the Prairies to offer accredited dimensional calibration services. The Calibration Laboratory Assessment Service (CLAS), jointly administered by the SCC and the National Research Council (NRC), has accredited and certified our calibration laboratory's technical capabilities and quality program.

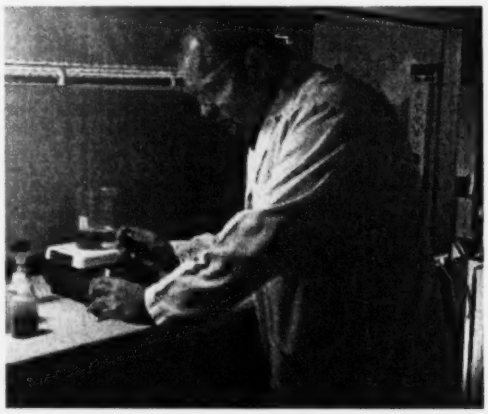
Calibration services include the dimensional calibration of gauge blocks, micrometers, calipers, thread wires, thread plugs, thread rings, plain ring and plug gauges, discs, pins, snap gauges, length and height standards, dial gauges, and surface plates, as well as pressure gauges up to 10,000 psi.

Custom Data Acquisition

ITC provides solutions to automate data collection and control processes using National Instruments hardware and LabView software, as well as SOMAT eDaq systems specifically designed for road test applications.

Noise Measurement and Control

ITC can identify and analyze excessive noise problems in products, structures and the workplace and develop noise control solutions. ITC offers comprehensive measurement services, using advanced skills and tools such as Brüel & Kjær's PULSE system for noise and vibration analysis. We also perform building acoustic studies, and environmental assessments of noise levels using SoundPLAN noise modelling software.



Lottery ticket testing provides quality assurance evaluations to jurisdictions in Canada and internationally

The Industrial Technology Centre's library service provides a great source for business-relevant information in a wide range of media formats; I find its helpful staff and informative mailings an additional benefit and often find myself recommending the service to others.

ROGER TWERDUN
CANGENE CORPORATION

Vibration Measurement and Control

We help determine the causes of excessive vibration in equipment and structures and assist in identifying remediation measures. This service is valuable for product testing, equipment balancing, acceptance testing for compliance to vibration tolerance limits, and measurement and analysis of vibration from hand tools and other devices.

Product Development Equipment Rental Service

In the course of product development, physical measurements of parameters such as deflection, acceleration, temperature, pressure, load, or sound are often required for the purposes of troubleshooting or product validation. These parameters are of critical interest to the vehicle manufacturing community. ITC has established, with the support of the Vehicle Technology Centre, a rental service for a variety of equipment to meet these needs.

The market for Engineering services is primarily manufacturing companies in Manitoba. SCC and CLAS accreditations, ISO 9001 registration, and rapid turnaround times are distinct competitive advantages.

Lottery Ticket Testing (LTT)

Lottery Ticket Testing provides security and quality assurance evaluations of instant scratch off and break open lottery tickets, customized research programs to assist lotteries in evaluating new products and technologies, and evaluations of questioned documents.

Services are provided to lottery jurisdictions in Canada and internationally. ITC is the sole commercial Canadian laboratory providing these services.

1.4 Strategic Outlook

ITC management has commenced implementation of its long-term strategy, starting with the realignment of its services to meet the needs of manufacturers.

During FY 2009/10, inspection services were eliminated and service offerings within noise and vibration analysis were redefined to better match client demand. Opportunities to expand calibration and testing services are being evaluated based on manufacturers' needs. ITC will continue to review its services and operations to ensure that they are meeting the changing needs of Manitoba industry, focusing on sectors that include advanced manufacturing, life sciences and emerging technology.

Looking forward to FY 2010/11, ITC has received approval to implement an Equipment Replacement Plan that will renew aging infrastructure, enable ITC to maintain its current service range, and provide for new technology service introductions. This renewal will primarily support Engineering services, including calibration, material testing, noise and vibration, data acquisition and equipment rental.

IEM program funding of $1,250K over 5 years ($200K in FY 2010/11) will allow ITC to implement this Equipment Replacement Plan.

During FY 2010/11, ITC will review and update its long-term Strategic Plan with an emphasis on developing new Advanced Technologies programs.

ITC will help Manitoba manufacturing sectors implement advanced technologies where technology gaps have been identified. The Province has assisted in the development of a Manufacturing Sector Economic Development Plan (MSEDP) and ITC continues to partner with the Canadian Manufacturers and Exporters (CME) to support implementation of this plan.

ITC will continue to work together with partners in industry, government, academia and other organizations to undertake applied research, development and technology commercialization projects for the benefit of Manitoba.

2. PERFORMANCE REVIEW

2.1 Sector Highlights

ITC made a significant impact in many different sectors during FY 2009/2010. Some sample projects are highlighted below:

Aerospace

Calibration services support our clients' quality control systems, and contribute to improved design and safety.

- Ongoing dimensional calibration for several aerospace clients
- Expanded surface plate calibration service

Building, Architecture and Construction

Noise and vibration analysis, and material testing improve design and enable prevention or remediation of problems.

- Environmental sound assessment of a large-scale metropolitan development
- Environmental sound assessment of a potential change to a highway intersection to evaluate the effect of the change in noise on nearby residents

Environment and Resources

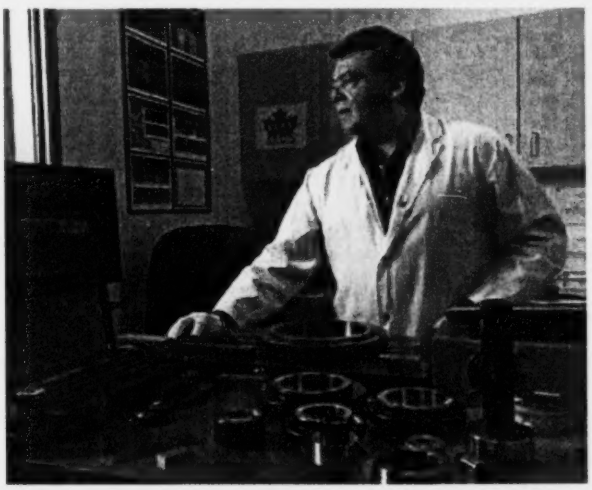
Material testing and technical information improve equipment and processes used in the resource sector.

- Prepared and distributed the Manitoba BioProducts News

General Manufacturing

All engineering services support clients' quality systems, improve products and processes, enhance productivity, and foster the adoption of advanced technology.

- Analysis of a high-pressure industrial equipment air compressor
- Endurance testing of hydraulic cylinder components
- Determined the ultimate stretch and loading capability of rubber straps
- Conducted a workplace noise survey to assess workers' noise exposure
- Completed factory simulation pilot project
- Performed characterization tests on a variety of composite materials
- Measured the vibration displacement of a power transformer



ITC offers accredited calibration services, which help Manitoba industry meet quality standards

I enjoy working with the people at ITC. They are responsive to our needs, with a professional approach to our business, and we consider them to be an asset to have in our city.

CLIENT SURVEY RESPONSE

Health

Advanced visualization services improve research and development in the health sector.

- Continued to work with the Manitoba Institute of Cell Biology to pilot the Manitoba Visualization Network to enable research collaboration across MRNet
- Developed a process for 3D imaging of biological structures
- Commenced project to create 3D virtual anatomical models of the human head
- Developed an interactive training tool for learning and practising procedures related to activities found within a contaminant laboratory

Transportation

Custom data acquisition, dimensional calibration, material testing, and noise control services support clients' quality systems, evaluate components, and improve products and processes.

- Assisted a local small vehicle manufacturer in vehicle noise and vibration analysis
- Long-term comparison testing of component exposure to corrosive environments
- Environmental cyclic temperature testing of mobile washroom collection tanks
- On-road stress testing of a prototype highway trailer
- Conducted safety testing of windows for buses and recreational vehicles
- Performed low-cycle load testing of gas-filled steering dampers to assess their reaction to a specific application
- Measured baseline vehicle noise and vibration data for comparison against future suspension modifications
- Simulated operating conditions for an engine compartment fluid tank
- Created a simulated air valve control system
- Instrumented and measured vehicle suspension vibration during road testing
- Measured the frequency of engine compartment brackets to check for potential resonances

Partnerships in Research and Development

- Participated as a member of the Innoventures Canada (I-CAN) network, along with other provincial research organizations across Canada. I-CAN is a "virtual network" providing companies access to specialized facilities and expertise for technology development
- Provided technical information services to a variety of Manitoba industrial sectors
- Evaluated and approved projects that will utilize the Virtual Reality Applications Fund (VRAF)
- Commenced several VRAF projects that will help support research by providing 3D visualization
- Assisted a university racing team vehicle through the installation and use of a stress data collection system

Training, Skill Development and Technology Awareness

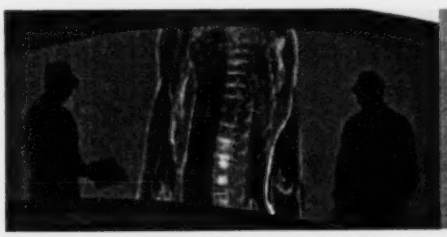
Delivered technology awareness sessions / workshops, including:

- Introduction to RFID (Radio Frequency Identification)
- ACMA Sustainable Composites Management of Design Analysis
- Introduction to Laser Scanning
- Robotics 101 – Introduction to Robots in Manufacturing
- Dynamic Finite Element Analysis e-Learning
- Computational Fluid Dynamics
- Applications for Computational Fluid Dynamics
- Factory Simulation Pilot Project demonstration
- Non-Linear Analysis e-Learning Course
- Technology Accelerating Innovation Manufacturing Event
- Produced monthly issues of the Innovation & Technology Watch, the Advanced Manufacturing News, and the Manitoba BioProducts News

Utilities

Dimensional calibration, material testing, and noise control services support clients' quality systems, evaluate components, and ensure specifications are met.

- Performed physical testing on electric conductor wires
- Proof load tested ceramic electrical insulators
- Performed mechanical strength testing of various components



Advanced visualization services help the life sciences and biotech communities in simulation and training

2.2 Results

IEM supports ITC for its economic development activities under the Economic Development Contribution Agreement (EDCA). In accordance with specified performance areas, customer and economic development impacts are measured using in-depth interviews with representative clients.

Performance Areas and Goals

Economic Development

- To support and contribute to economic development in Manitoba

Customer

- To sustain and enhance client relationships by providing high-quality, valued technical services

Operations

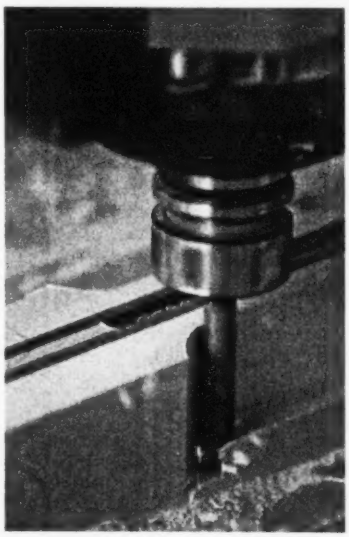
- To identify and apply appropriate technologies

Learning and Growth

- To cultivate a work environment that promotes employee achievement, creativity, initiative and growth

Financial

- To continue to demonstrate sound financial management



Economic Development

ITC clients reported the following impacts in FY 2009/2010:

New Jobs Created 32

Jobs Saved/Maintained 387

The total of 419 jobs created or saved represents $18.6 million in wages based on an average annual manufacturing salary of $44,291 (December 2008, Manitoba Bureau of Statistics).

Sales Increases $2.1 million

Sales Maintained $32.5 million

Cost Savings Identified $1.8 million

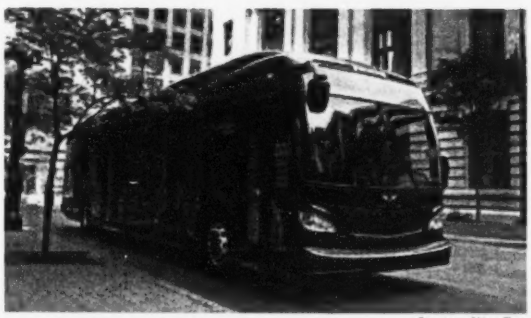
Investment Increases $4.7 million

Influence on client objectives 95% of respondents reported that ITC had a positive impact on their organization.

These results are compiled from the responses of 82 individuals representing a sample of ITC clients. No attempt has been made to extrapolate the impacts for ITC's entire project client base (approximately 250 clients).

Since inception as an SOA (FY 1996/97), clients have reported the following outcomes:

Category	Total Impacts
Jobs created or saved	**8,272**
Increased / maintained sales	**$137.2 million**
Increased investment	**$111.8 million**
Cost savings	**$36.0 million**



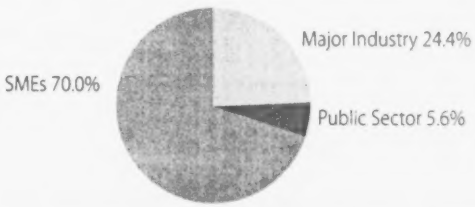
Courtesy of New Flyer

Customer

ITC maintains a system for capturing specific client satisfaction and other information, and results indicate very high satisfaction with our overall project performance.

Service category	Customer satisfaction target (FY 09/10)	Customer satisfaction result
Advanced Technologies	90%	100% of clients surveyed in the economic impacts study reported a positive impact at their organization
Engineering	90%	95% of clients surveyed in the economic impacts study reported a positive impact at their organization
Lottery Ticket Testing	90%	100% of lottery jurisdictions very satisfied based on discussion with lottery clients

ITC's customer base consists of the following:



SMEs (small and medium-sized enterprises) include manufacturers with fewer than 50 employees, consulting engineers, small service organizations and individual entrepreneurs.

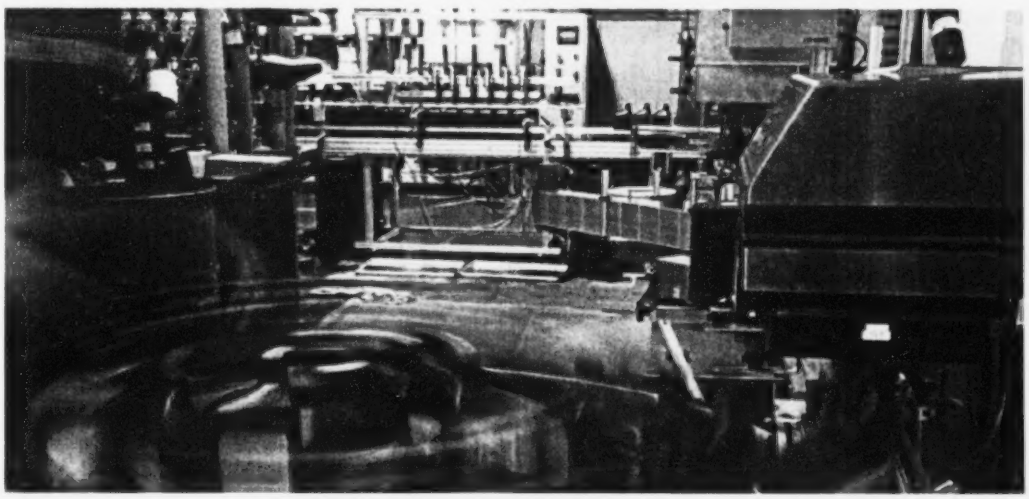
Operations

ITC continues to maintain ISO 9001 registration, with the following quality policy:

"The Industrial Technology Centre (ITC) will provide cost-effective, value-added technical services which will meet the commitments made to its customers."

Operational activities for the year included:

- Continued to assist in the ongoing implementation of the Manufacturing Sector Economic Development Plan (MSEDP) in collaboration with the Canadian Manufacturers and Exporters (CME)
- Continued to build relationships and partnerships with organizations including:
  - Canadian Manufacturers and Exporters (CME)
  - Composites Innovation Centre (CIC)
  - Innoventures Canada (I-CAN)
  - National Research Council – Industrial Research Assistance Program (NRC-IRAP)
  - University of Manitoba
  - Vehicle Technology Centre (VTC)
- Continued to review and develop services to match industry needs
  - Eliminated dimensional inspection
  - Redefined noise and vibration services
  - Evaluated additional calibration and testing services
- Implemented capital plan
- Implemented computer system improvements
- Maintained quality systems
  - CLAS (Calibration Laboratory Assessment Service)
  - SCC (Standards Council of Canada)
  - ISO 9001

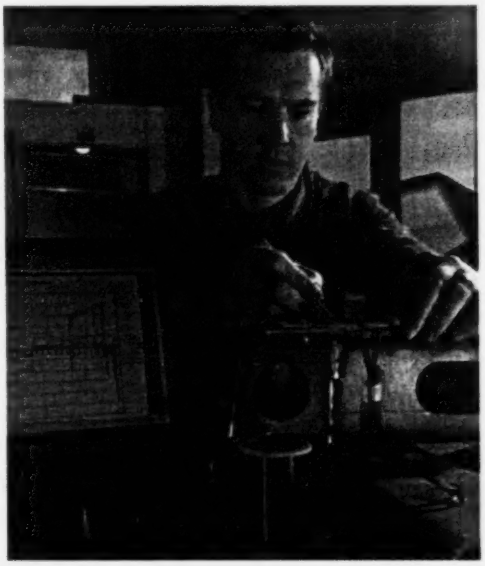


2. PERFORMANCE REVIEW continued

Learning and Growth

Learning and growth activities for the year included:

- PULSE system training (noise and vibration)
- CNC programming, machining and operation
- Reality in Numerical Simulation (SARATECH)
- Attended Western Aerospace Alliance Conference
- Fatigue Solutions with RADIOSS (product design analysis)
- Conducted staff survey to identify opportunities for improvement
- Introduction to Composites Analysis
- Composite Materials in Femap / NEiNASTRAN
- Vision-guided robotics
- NASTRAN explicit method for finite element analysis
- CFD – Fit for Purpose (general requirements for computational fluid dynamics analysis)
- Simulation Data & Process Management – Vendor Scorecard
- Adaptive Robot Control – Next Generation Robot Metrology
- SolidWorks Flow Simulation
- Dassault Systems V5 3D Robotics Simulation
- Attended Queen's Strategy / Leadership Program



Strain testing utilizing data acquisition instrumentation helps ensure products meet stress requirements

Financial

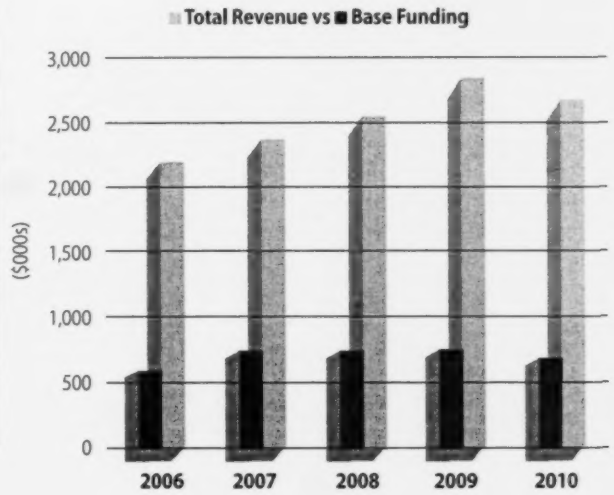
ITC has now completed its fourteenth year of operation as an SOA, with financial results showing a net loss for the year. Due to Provincial budget constraints, ITC received $50,000 less in EDCA funding. Fee for service revenue was lower during the year due to the general economic downturn and changes in demand from specific large clients. These financial pressures necessitated the elimination of some services and a reduction of staff.

Overall, expenses were comparable to last year. The following expenses were lower: advertising and promotion (website updated and brochures produced last year), office (general cost constraint), salaries and benefits (primarily staff reductions, offset by the Provincial general salary increase), and travel (related to project activity).

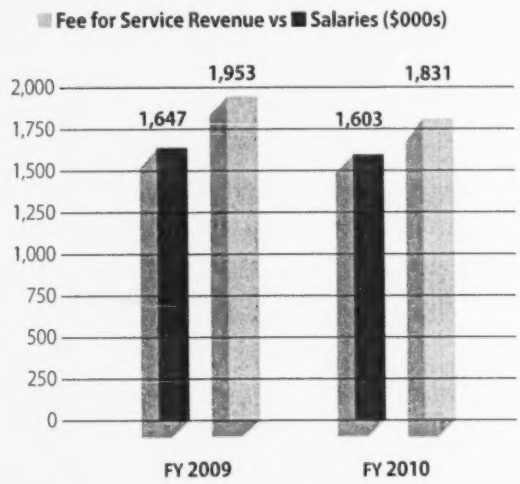
($000s)	Current Year	Prior Year	Variance to Prior Year
Province of Manitoba	700	750	(50)
Fee for service	1,831	1,953	(122)
Other	135	133	2
Total revenue	2,666	2,836	(170)
Salaries and benefits	1,603	1,647	(44)
Other operating expenses	1,134	1,103	31
Total operating expenses	2,737	2,750	(13)
Net income (loss)	**(71)**	**86**	**(157)**

The following expenses increased over last year: amortization (primarily related to capital acquisitions in prior year), equipment (related to repairs of testing equipment and increased software maintenance), and project supplies and subcontract (related to pass-through charges).

ITC continues to show significant leverage of Provincial funding into project activity in support of Manitoba industry, as demonstrated by the following chart:



Despite the reduction in fee for service revenues, we were able to maintain a strong ratio of fee for service revenue to salaries. This demonstrates a high utilization of resources at ITC due to continued solid demand for project work.

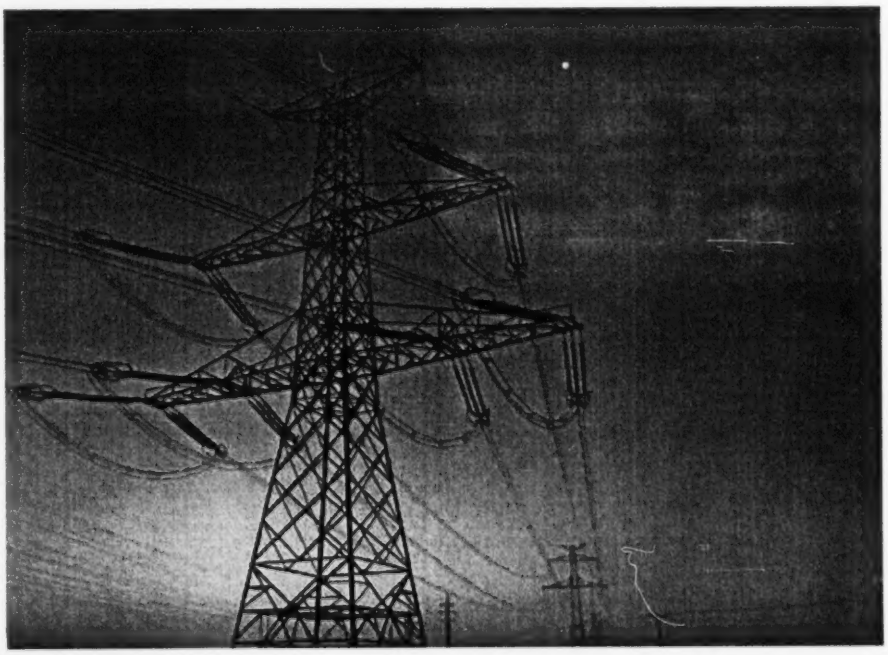


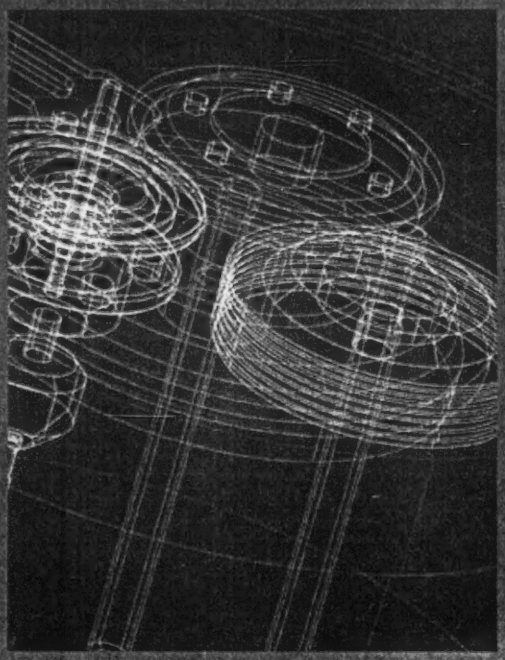
ITC has focused efforts on expanding client reach and project opportunities, and continues to closely monitor expenditures.

The results given in this annual report for FY 2009/2010 indicate that ITC has continued to demonstrate sound management, and has achieved recognition for the value and impact of its economic development activities.

Pursuant to The Public Sector Compensation Act, employees of the Industrial Technology Centre who have received compensation of $50,000 or more, including benefits and severance payments, in the year ended March 31, 2010, are disclosed in Volume 2 of the Public Accounts of the Province of Manitoba.

> They're fantastic to work with, and always get things done.
>
> CLIENT SURVEY RESPONSE





They have assisted us with product testing that we couldn't do here, and provided training seminars that were applicable to the engineering field.

CLIENT SURVEY RESPONSE

3. MANAGEMENT REPORT

May 21, 2010

For the year ended March 31, 2010

The accompanying financial statements of the Industrial Technology Centre (ITC) are the responsibility of management and have been prepared by ITC in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 21, 2010.

Management maintains internal controls designed to indicate responsibility, provide reasonable assurance of the reliability and accuracy of the financial statements, and properly safeguard ITC's assets.

The responsibility of the external audit is to express an independent, professional opinion lending assurance and objectivity as to whether the financial statements of ITC are fairly presented in accordance with Canadian generally accepted accounting principles. The auditors' report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Original signed by

Trevor Cornell
Chief Operating Officer

Original signed by

David Olafson
Manager, Corporate Services

4. AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Industrial Technology Centre as at March 31, 2010 and the statements of earnings, comprehensive income (loss) and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

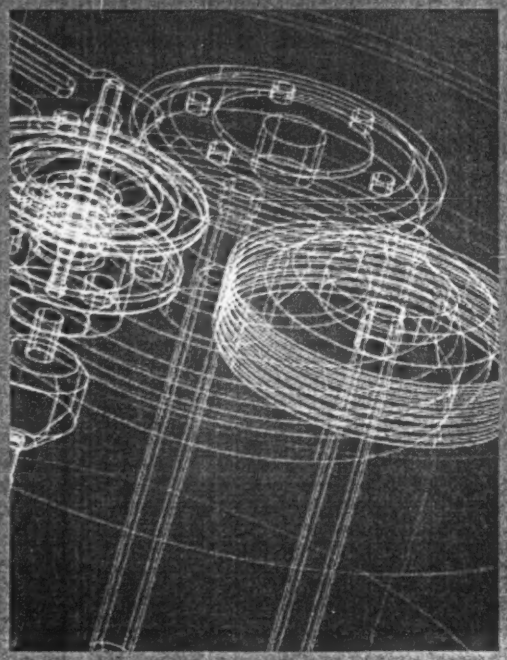
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by

Chartered Accountants

Winnipeg, Manitoba
May 21, 2010



They have assisted us with product testing that we couldn't do here, and provided training seminars that were applicable to the engineering field.

CLIENT SURVEY RESPONSE

3. MANAGEMENT REPORT

May 21, 2010

For the year ended March 31, 2010

The accompanying financial statements of the Industrial Technology Centre (ITC) are the responsibility of management and have been prepared by ITC in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 21, 2010.

Management maintains internal controls designed to indicate responsibility, provide reasonable assurance of the reliability and accuracy of the financial statements, and properly safeguard ITC's assets.

The responsibility of the external audit is to express an independent, professional opinion lending assurance and objectivity as to whether the financial statements of ITC are fairly presented in accordance with Canadian generally accepted accounting principles. The auditors' report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Original signed by

Trevor Cornell
Chief Operating Officer

Original signed by

David Olafson
Manager, Corporate Services

4. AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Industrial Technology Centre as at March 31, 2010 and the statements of earnings, comprehensive income (loss) and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by

Chartered Accountants

Winnipeg, Manitoba
May 21, 2010

5. FINANCIAL STATEMENTS

Balance Sheet

As at March 31, 2010 (in thousands)	2010	2009
Assets		
Current		
Cash and funds on deposit with Minister of Finance net of working capital advance (note 6)	$265	$373
Accounts receivable	198	242
Prepaid expenses	54	58
	517	673
Long term investment (note 5)	103	103
Capital assets (notes 3 and 7)	619	665
	722	768
	$1,239	$1,441
Liabilities		
Current		
Accounts payable and accrued liabilities	$290	$406
Deferred revenue	236	218
	526	624
Severance liability (note 8)	214	247
	740	871
Equity		
Contributed Equity (note 9)	62	62
Retained Earnings	437	508
	499	570
	$1,239	$1,441

The accompanying notes are an integral part of these financial statements.

Statement of Earnings, Comprehensive Income (Loss) and Retained Earnings

For the year ended March 31, 2010 (in thousands)	2010	2009
Revenue		
Province of Manitoba	$700	$750
Fee for service	1,831	1,953
Other	135	133
	2,666	2,836
Operating expenses		
Advertising and promotion	56	89
Amortization	169	139
Audit and legal	10	9
Bad debts	–	1
Building maintenance	63	55
Computer	51	47
Equipment	99	85
Fees and memberships	31	33
Insurance	43	41
Library	10	10
Office	56	68
Professional development	9	13
Project supplies and subcontract	131	95
Purchased services	5	8
Rent and property tax	329	321
Salaries and benefits	1,603	1,647
Travel	22	38
Utilities	50	51
	2,737	2,750
Net earnings (loss)	(71)	86
Retained earnings at beginning of period	508	422
Retained earnings at end of period	$437	$508

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flow

For the year ended March 31, 2010 (in thousands)	2010	2009
Cash derived from (applied to):		
Operating activities		
Net earnings (loss)	($71)	$86
Items not involving cash		
Amortization	169	139
	98	225
Changes in non-cash working capital balances		
Accounts receivable	44	216
Due from Province of Manitoba	–	103
Prepaid expenses	4	(42)
Accounts payable and accrued liabilities	(116)	(231)
Deferred revenue	18	182
Severance liability	(33)	18
	15	471
Investing activities		
Long term investment	–	(103)
Acquisition of capital assets	(123)	(171)
	(123)	(274)
Net increase (decrease) in cash and cash equivalents	(108)	197
Cash and cash equivalents at beginning of period	373	176
Cash and cash equivalents at end of period	$265	$373
Represented by:		
Cash and bank	$94	$47
Funds on deposit with the Minister of Finance	171	326
	$265	$373
Interest revenue included in cash flow from operating activities	$1	$6

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2010
(In Thousands)

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Innovation, Energy and Mines under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances ITC through working capital advances. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Innovation, Energy and Mines assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Innovation, Energy and Mines defines expected public policy benefits generated from ITC's operations.

ITC has full delegated authority for all administrative, financial and operational matters. This delegation is subject to any limitations, restrictions, conditions and requirements imposed by legislation or by the Minister.

2. Change in Accounting Policies

New Accounting Policies

Section 3064 Goodwill and Intangible Assets

Effective April 1, 2009, the Agency adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook section 3064 Goodwill and Intangible Assets and the updates to CICA Handbook section 1000 Financial Statement Concepts.

This guidance establishes updated standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets.

These changes did not have an impact on the Agency's financial statements for the year ended March 31, 2010.

Credit Risk and Fair Value of Financial Assets and Financial Liabilities

During 2009 the Financing Authority adopted the Emerging Issues Committee (EIC) 173 and amendments to Section 3855, Financial Instruments - Recognition and Measurement and 3862, Financial Instruments - Disclosures:

- Section 3855 – Effective Interest Method
- Section 3855 – Embedded Derivatives on Reclassification of Financial Assets
- Section 3855 – Impairment of Financial Assets
- Section 3862 – Fair Value and Liquidity Risk Disclosure

Due to the nature of the Agency's financial instruments, the adoption of these standards and amendments had no material impact on the financial position of the Agency.

Future Accounting Changes

Convergence with Public Sector Accounting Standards as issued by the Public Sector Accounting Board

Effective April 1, 2011 the Agency will be adopting Public Sector Accounting Standards issued by the Public Sector Accounting Board. The Agency is currently in the process of quantifying the impact these changes will have on its financial position.

3. Significant Accounting Policies

Basis of Reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost. Amortization, intended to write off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance

Statement of Cash Flow

For the year ended March 31, 2010 (in thousands)	2010	2009
Cash derived from (applied to):		
Operating activities		
Net earnings (loss)	($71)	$86
Items not involving cash		
Amortization	169	139
	98	225
Changes in non-cash working capital balances		
Accounts receivable	44	216
Due from Province of Manitoba	–	103
Prepaid expenses	4	(42)
Accounts payable and accrued liabilities	(116)	(231)
Deferred revenue	18	182
Severance liability	(33)	18
	15	471
Investing activities		
Long term investment	–	(103)
Acquisition of capital assets	(123)	(171)
	(123)	(274)
Net increase (decrease) in cash and cash equivalents	(108)	197
Cash and cash equivalents at beginning of period	373	176
Cash and cash equivalents at end of period	$265	$373
Represented by:		
Cash and bank	$94	$47
Funds on deposit with the Minister of Finance	171	326
	$265	$373
Interest revenue included in cash flow from operating activities	$1	$6

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2010
(In Thousands)

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Innovation, Energy and Mines under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances ITC through working capital advances. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Innovation, Energy and Mines assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Innovation, Energy and Mines defines expected public policy benefits generated from ITC's operations.

ITC has full delegated authority for all administrative, financial and operational matters. This delegation is subject to any limitations, restrictions, conditions and requirements imposed by legislation or by the Minister.

2. Change in Accounting Policies

New Accounting Policies

Section 3064 Goodwill and Intangible Assets

Effective April 1, 2009, the Agency adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook section 3064 Goodwill and Intangible Assets and the updates to CICA Handbook section 1000 Financial Statement Concepts.

This guidance establishes updated standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets.

These changes did not have an impact on the Agency's financial statements for the year ended March 31, 2010.

Credit Risk and Fair Value of Financial Assets and Financial Liabilities

During 2009 the Financing Authority adopted the Emerging Issues Committee (EIC) 173 and amendments to Section 3855, Financial Instruments - Recognition and Measurement and 3862, Financial Instruments - Disclosures:

- Section 3855 – Effective Interest Method
- Section 3855 – Embedded Derivatives on Reclassification of Financial Assets
- Section 3855 – Impairment of Financial Assets
- Section 3862 – Fair Value and Liquidity Risk Disclosure

Due to the nature of the Agency's financial instruments, the adoption of these standards and amendments had no material impact on the financial position of the Agency.

Future Accounting Changes

Convergence with Public Sector Accounting Standards as issued by the Public Sector Accounting Board

Effective April 1, 2011 the Agency will be adopting Public Sector Accounting Standards issued by the Public Sector Accounting Board. The Agency is currently in the process of quantifying the impact these changes will have on its financial position.

3. Significant Accounting Policies

Basis of Reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost. Amortization, intended to write off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance

Office and laboratory equipment	20%, declining balance
Computer equipment and software	20%, straight-line
Leasehold improvements	10%, straight-line

Capital Disclosures

The Agency's capital consists of contributed equity and retained earnings provided from operations.

The Agency's capital management policy is to maintain sufficient capital to meet its objectives through its retained earnings by managing transfers of surplus funds to the Province of Manitoba; meet short-term capital needs with working capital advances from the Province of Manitoba; and meet long-term capital needs through long-term debt with the Province of Manitoba. There were no changes in the Agency's approach to capital management during the period.

The Agency is not subject to externally imposed capital requirements.

Government Assistance

Non-repayable government assistance relating to capital expenditures is reflected as a reduction of the cost of such assets.

Revenue Recognition

Province of Manitoba funding is recognized over the term for which it applies. Fees for service are recognized as the service is performed.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

4. Financial Instruments and Financial Risk Management

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities.

All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The financial assets and liabilities of the Agency are classified and measured as follows:

Financial Asset/Liability	Category	Subsequent Measurement
Cash and funds on deposit	**Held for trading**	**Fair value**
Long term investment	**Held for trading**	**Fair value**
Accounts receivable	**Loans and receivables**	**Amortized cost**
Accounts payable	**Other financial liabilities**	**Amortized cost**
Accrued liabilities	**Other financial liabilities**	**Amortized cost**

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of earnings and retained earnings in the period the gain or loss occurs. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of earnings and retained earnings for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in other comprehensive income until realized, at which time they recorded in the statement of earnings and retained earnings.

Fair Value of Financial Instruments

The fair values of accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity. The fair value of the Agency's financial instruments has been determined based on quoted prices from active markets.

Financial Risk Management – Overview

The Agency has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; market risk; interest risk; and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and term deposits and accounts receivable.

The maximum exposure of the Agency to credit risk at March 31, 2010 is:

Cash and funds on deposit	$ 265
Accounts receivable	198
Long term investment	103
	$566

Cash and funds on deposits: The Agency is not exposed to significant credit risk as the cash and term deposits are primarily held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as payment in full is typically collected when it is due. The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

There was no change in the allowance for doubtful accounts during the year and the balance at March 31, 2010 was $20.

Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet the obligations.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Agency's income or the fair values of its financial instruments. The significant market risks the Agency is exposed to are interest rate risk and foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to funds on deposit and the long-term investment.

The interest rate risk on funds on deposit and the long-term investment is considered to be low because of their short term nature.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any significant financial instruments denominated in foreign currency.

5. Long-Term Investment

The Province of Manitoba accepted responsibility for the vacation entitlements earned by the employees of the Agency prior to its designation as SOA, and the severance pay benefits accumulated to March 31, 1998 for certain of the Agency's employees. Accordingly, the Agency recorded a receivable of $103 from the Province of Manitoba for these accumulated benefits. Effective March 31, 2009 the Province of Manitoba had agreed to pay the receivable balances related to the funding for these liabilities and has placed the amount of $103 into an interest bearing trust account to be held on the Agency's behalf until the cash is required to discharge the related liabilities.

6. Working Capital Advance

The Agency has an authorized line of working capital advances up to a maximum of $300. As at March 31, 2010 working capital advances were nil (2009 – nil). The line bears interest at prime less 1% and is not secured by specific assets.

7. Capital Assets

	2010		2009	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and fixtures	$ 16	$ 8	$ 16	$ 7
Office and laboratory equipment	1,314	875	1,192	780
Computer equipment and software	681	625	680	572
Leasehold improvements	200	84	200	64
	$ 2,211	$ 1,592	$ 2,088	$ 1,423
Net book value		$ 619		$ 665

8. Severance Pay Benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2008. The report provides a formula to update the liability on an annual basis. The Industrial Technology Centre's actuarially determined net liability for accounting purposes as at March 31, 2010 was $214 (2009 - $247), with an actuarial gain or loss being amortized over the 15 year expected average remaining service life of the employee group.

Significant long-term actuarial assumptions used in the March 31, 2008 valuation, and in the determination of the March 31, 2010 present value of the accrued severance benefit obligation were:

Annual rate of return	
inflation component	2.50%
real rate of return	4.00%
	6.50%
Assumed salary increase rates	
annual productivity increase	0.75%
annual general salary increase	3.50%
	4.25%

9. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority (SOAFA) and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

10. Commitment

The Agency has entered into a lease agreement for the rental of a building at Smartpark, with space of 24,118 square feet. Of this space, ITC occupies 19,032 square feet, with 5,086 square feet being sublet to the Composites Innovation Centre (CIC). Occupancy costs pertaining to the CIC will be recoverable from them. This ten-year lease requires lease payments as follows:

	ITC	CIC	Total
FY 2010/11 - FY 2014/15 (per year)	**$189**	**$51**	**$240**
FY 2015/16 (7 mos)	**110**	**30**	**140**

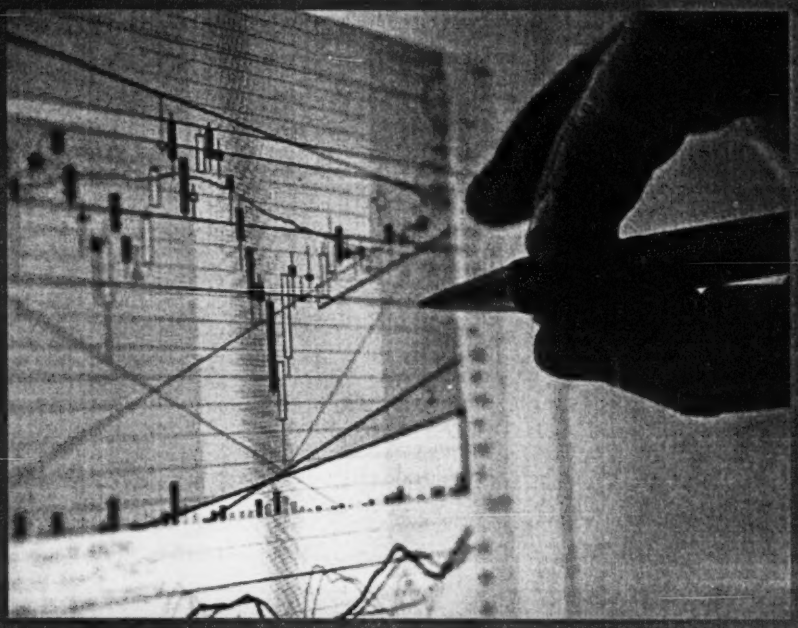
11. Pension Benefits

In accordance with the provisions of the Civil Service Superannuation Act, employees of the Centre are eligible for pension benefits under the Civil Service Superannuation Fund.
This pension plan is a defined benefit plan, which requires the Centre to contribute an amount equal to the employee's contribution to the Fund for current services. The amount contributed and expense by the Centre for 2010 is $81 (2009 - $78).

The Centre has no further liability associated with the annual cost of pension benefits earned by the Centre's employees.

12. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.



Appendix 1: Staff as at March 31, 2010

Diane Chicheluk
Trevor Cornell, B.Sc. (Eng Hons), MMS (Dip), C.Eng. MIET, P.Eng., FEC
Betty Dearth, B.A., M.I.L.S.
Danny Fredette, Journeyman Machinist, C.Tech
Daniel Godin, Dip. Mech. Eng. Tech., C.E.T.
Sandra Graff
Dale Kellington, B.Sc.
Judith Lesprance
Shawna Levesque, Clerical Bookkeeping Certificate
Stephen McKendry-Smith, Dip. Biological Tech.
David Olafson, B.Sc., B. Comm. (Hons), C.G.A., C.C.P.
Tim Peters, Management Studies Certificate
Gord Pizey, B.Sc. (M.E.), M.Sc, P.Eng.
Sharon Ratushniak
Tony Robak, Millwright, C.Tech.
Myron Semegen, C.E.T.
Michael Thomlinson, B.Sc. (M.E.), M.Sc. (I.E.), P.Eng.
Yixiao Xiong, Dip. Mech. Eng., B.Eco., C.Tech

Appendix 2: Advisory Board

John Clarkson
(Chairperson)
Deputy Minister
Innovation, Energy and Mines
Room 349 Legislative Building
Winnipeg, Manitoba R3C 0V8

Ken Carr
Representing the
Manitoba Aerospace Association Inc.
51 Woodgreen Place
Winnipeg, Manitoba R3J 1H4

Roy Cook
Chief Operating Officer
Monarch Industries Limited
51 Burmac Road, P.O. Box 429
Winnipeg, Manitoba R3C 3E4

Richard Krohn
General Product Manager
EQ3 Limited
70 Lexington Park
Winnipeg, Manitoba R2G 4H2

Al MacAtavish
Manitoba Hydro (retired)
P.O. Box 1277, RR5
Winnipeg, Manitoba R2C 2Z2

Paul Soubry L.L.D. (Man.)
63 Ridgedale Crescent
Winnipeg, Manitoba R3R 0B2

Ed Van Humbeck
103 Kinkora Drive
Winnipeg, Manitoba R3R 2P5

Trevor Cornell
Chief Operating Officer
Industrial Technology Centre
200-78 Innovation Drive
Winnipeg, Manitoba R3T 6C2

Michael Thomlinson
Staff Representative
Industrial Technology Centre
200-78 Innovation Drive
Winnipeg, Manitoba R3T 6C2

9. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority (SOAFA) and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

10. Commitment

The Agency has entered into a lease agreement for the rental of a building at Smartpark, with space of 24,118 square feet. Of this space, ITC occupies 19,032 square feet, with 5,086 square feet being sublet to the Composites Innovation Centre (CIC). Occupancy costs pertaining to the CIC will be recoverable from them. This ten-year lease requires lease payments as follows:

	ITC	CIC	Total
FY 2010/11 - FY 2014/15 (per year)	$189	$51	$240
FY 2015/16 (7 mos)	110	30	140

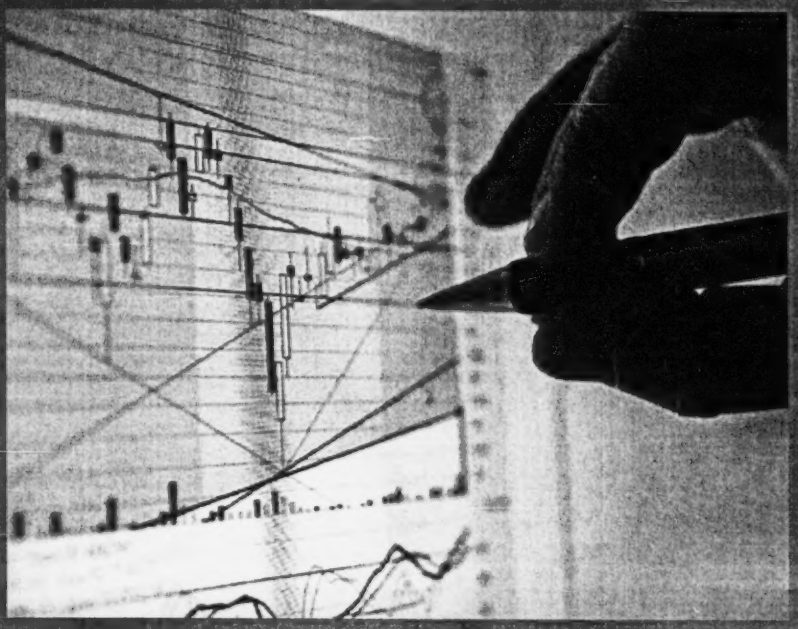
11. Pension Benefits

In accordance with the provisions of the Civil Service Superannuation Act, employees of the Centre are eligible for pension benefits under the Civil Service Superannuation Fund.
This pension plan is a defined benefit plan, which requires the Centre to contribute an amount equal to the employee's contribution to the Fund for current services. The amount contributed and expense by the Centre for 2010 is $81 (2009 - $78).

The Centre has no further liability associated with the annual cost of pension benefits earned by the Centre's employees.

12. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.



Appendix 1: Staff as at March 31, 2010

Diane Chicheluk
Trevor Cornell, B.Sc. (Eng Hons), MMS (Dip), C.Eng. MIET, P.Eng., FEC
Betty Dearth, B.A., M.I.L.S.
Danny Fredette, Journeyman Machinist, C.Tech
Daniel Godin, Dip. Mech. Eng. Tech., C.E.T.
Sandra Graff
Dale Kellington, B.Sc.
Judith Lesprance
Shawna Levesque, Clerical Bookkeeping Certificate
Stephen McKendry-Smith, Dip. Biological Tech.
David Olafson, B.Sc., B. Comm. (Hons), C.G.A., C.C.P.
Tim Peters, Management Studies Certificate
Gord Pizey, B.Sc. (M.E.), M.Sc, P.Eng.
Sharon Ratushniak
Tony Robak, Millwright, C.Tech.
Myron Semegen, C.E.T.
Michael Thomlinson, B.Sc. (M.E.), M.Sc. (I.E.), P.Eng.
Yixiao Xiong, Dip. Mech. Eng., B.Eco., C.Tech

Appendix 2: Advisory Board

John Clarkson
(Chairperson)
Deputy Minister
Innovation, Energy and Mines
Room 349 Legislative Building
Winnipeg, Manitoba R3C 0V8

Ken Carr
Representing the
Manitoba Aerospace Association Inc.
51 Woodgreen Place
Winnipeg, Manitoba R3J 1H4

Roy Cook
Chief Operating Officer
Monarch Industries Limited
51 Burmac Road, P.O. Box 429
Winnipeg, Manitoba R3C 3E4

Richard Krohn
General Product Manager
EQ3 Limited
70 Lexington Park
Winnipeg, Manitoba R2G 4H2

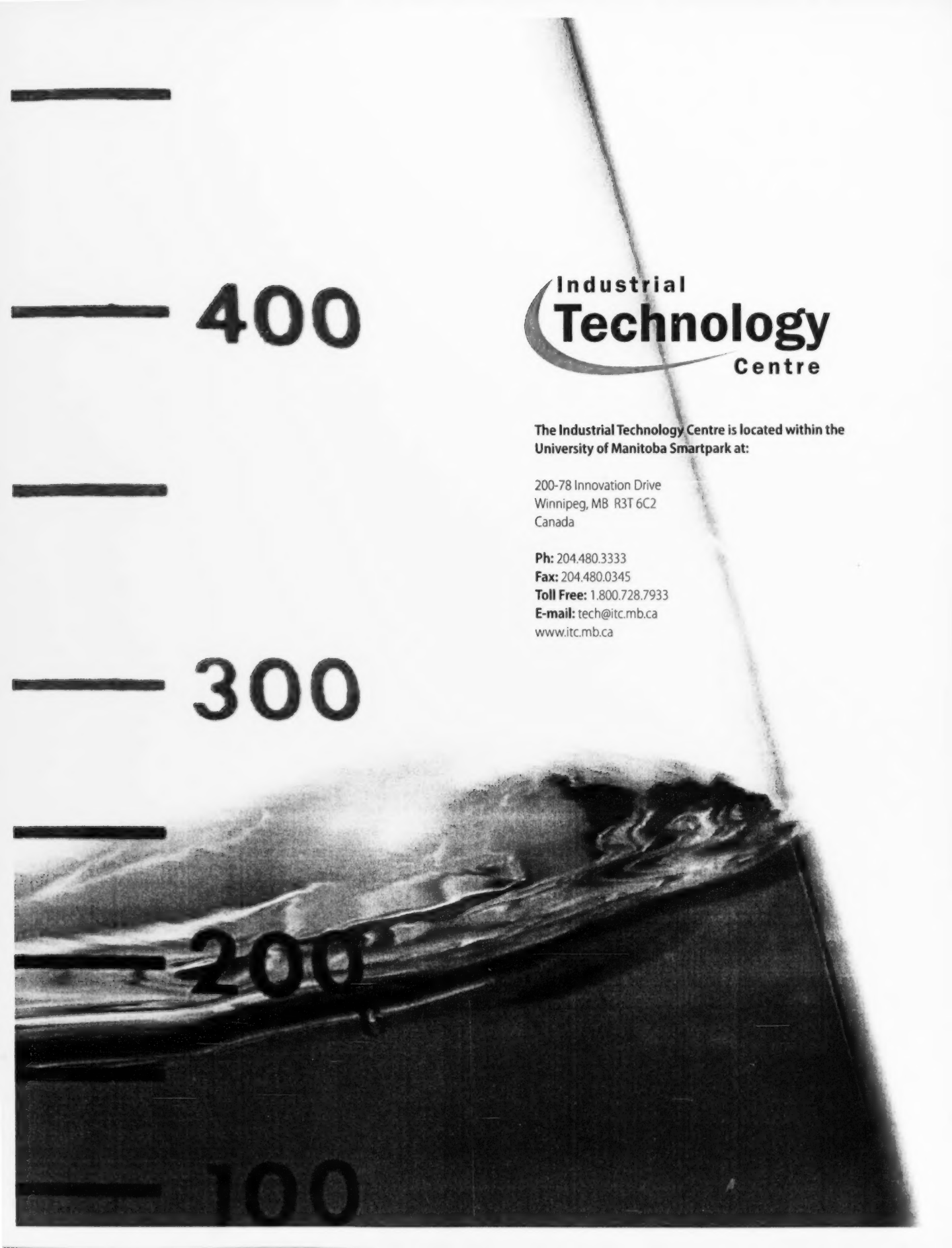
Al MacAtavish
Manitoba Hydro (retired)
P.O. Box 1271, RR5
Winnipeg, Manitoba R2C 2Z2

Paul Soubry L.L.D. (Man.)
63 Ridgedale Crescent
Winnipeg, Manitoba R3R 0B2

Ed Van Humbeck
103 Kinkora Drive
Winnipeg, Manitoba R3R 0P5

Trevor Cornell
Chief Operating Officer
Industrial Technology Centre
200-78 Innovation Drive
Winnipeg, Manitoba R3T 6C2

Michael Thomlinson
Staff Representative
Industrial Technology Centre
200-78 Innovation Drive
Winnipeg, Manitoba R3T 6C2



Industrial
Technology
Centre

The Industrial Technology Centre is located within the University of Manitoba Smartpark at:

200-78 Innovation Drive
Winnipeg, MB R3T 6C2
Canada

Ph: 204.480.3333
Fax: 204.480.0345
Toll Free: 1.800.728.7933
E-mail: tech@itc.mb.ca
www.itc.mb.ca